

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 7
XTELEGENT NETWORKS INC.)	
)	
)	Case No. 05-20078-JN
XTELEGENT NETWORKS INC.)	
)	
)	
Debtor(s))	

**CHAPTER 7 TRUSTEE'S FINAL REPORT
APPLICATION FOR TRUSTEE'S COMPENSATION AND EXPENSES
APPLICATION FOR ALLOWANCE OF CHAPTER 7 ADMINISTRATIVE EXPENSES
TRUSTEE'S CERTIFICATION**

The Chapter 7 Trustee of this estate respectfully requests that the attached Final Report, Application for Trustee's Compensation and Expenses, and Application for Allowance of Chapter 7 Administrative Expenses be approved by the Court. The Trustee affirms that the statements contained in the Final Report are true and accurate to the best of the Trustee's knowledge.

The Trustee certifies to the Court and the United States Trustee that this estate has been fully administered and that the Trustee has faithfully and properly fulfilled the Trustee's duties and that the attached Final Report and Applications are proper and consistent with the Bankruptcy Code and Rules and the requirements of the Court and the United States Trustee's Office.

The Trustee certifies under penalty of perjury that all assets have been liquidated or properly accounted for and that funds of the estate are available for distribution.

Date: February 7, 2008

/s/

C. BRUCE LAWRENCE
Chapter 7 Trustee

CHAPTER 7 TRUSTEE'S FINAL REPORT AND ACCOUNT
APPLICATION FOR TRUSTEE'S COMPENSATION AND EXPENSES
APPLICATION FOR ALLOWANCE OF CHAPTER 7 ADMINISTRATIVE EXPENSES

The Chapter 7 Trustee of this estate reports, represents, and requests the following:

1.) **APPOINTMENT AND BOND:** The Trustee was appointed as Trustee in this case by the United States Trustee. The Trustee has a blanket acceptance on file with the United States Trustee's Office. The Trustee is fully covered by a blanket bond on file with the Court.

2.) **LIQUIDATION OF PROPERTY OF THE ESTATE:** All non-exempt property of the estate has been administered and reduced to cash or abandoned as reported on the attached FORM I - INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT. All other property not administered by the Trustee shall be deemed abandoned to the debtor upon closing of the case, unless a reservation is filed by the Trustee.

3.) **RECEIPTS AND DISBURSEMENTS:** All receipts and disbursements are reported on the attached FORM II - ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD. The balance of funds on hand are on deposit at the depository noted on said FORM II. All Trustee disbursements were reasonable in amount and properly made.

4.) **ALLOWANCE OF DISBURSEMENTS AS ADMINISTRATIVE EXPENSES:** All Trustee disbursements as shown on the attached FORM II were actual, necessary, reasonable and properly made. The Trustee requests Court approval and allowance under 11 U.S.C. §503 of all said disbursements not already allowed by the Court.

5.) **BUSINESS CONTINUED BY TRUSTEE:** If Trustee continued the business of the debtor pursuant to Court order (copy attached) under 11 U.S.C. §721, the Trustee's receipts and disbursements from operations are reported in the attached TRUSTEE'S OPERATING SUMMARY, which is a true and accurate summary of the operating reports required under 11 U.S.C. §704(8) to be filed with the Court and the United States Trustee's Office.

6.) **TAXES:** All taxes incurred by the Trustee and the estate have been paid or will be paid from the estate funds at the time of distribution.

7.) **PROFESSIONAL FEES AND EXPENSES:** The Trustee has reviewed all Chapter 7 professional fees (including retainers) and deems said fees to be reasonable or deems said fees to be unreasonable and has taken action regarding them. Fees and expenses for professionals employed by the estate have previously been approved by the Court, are now under Court consideration, or are contained in Fee Applications prepared in conformity with FRBP 2016(a) and the United States Trustee's Fee Guidelines (for cases filed on or after October 22, 1994) and are submitted herewith. The Trustee has reviewed all Fee applications and deems the fees to be reasonable or deems them unreasonable and has taken action regarding them.

8.) **TRUSTEE COMPENSATION AND EXPENSES:** Trustee compensation and expenses under 11 U.S.C. §326, §330 are requested in the amounts set forth in the attached TRUSTEE COMPENSATION AND EXPENSES. Any previous interim allowance is noted thereon. All expenses were incurred in the administration of this estate and are actual and necessary; they do not represent a request for overhead flat fee allocations. No agreement or understanding exists between the Trustee and any other persons for the sharing of compensation received or to be received for services rendered in this case.

9.) **CLAIMS:** All filed claims in this case have been examined by the Trustee. The Trustee has made all necessary claim objections, if distribution will reach the claim's class. The Trustee's anticipated distribution is set forth on the attached TRUSTEE'S PROPOSED DISTRIBUTION. All tax claims have been verified.

TOTAL PROFESSIONAL COMPENSATION:	<u>\$1,456.05</u>	<u>\$0.00</u> =
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\$1,456.05 / 7,060.53 TOTAL RECEIPTS (less refunds)

= 20.62%

TRUSTEE COMPENSATION AND EXPENSES

TOTAL RECEIPTS (including interest)	\$7,060.53
LESS TOTAL REFUNDS *, if any	\$0.00
TOTAL UPON WHICH COMPENSATION IS BASED	\$7,060.53

*Note: Refunds must include any monies paid to debtor(s) or other entity (e.g. return of sale deposit) upon which the trustee is not authorized to base commissions.

PERCENTAGES USED FOR CASES FILED ON OR AFTER 10/22/94:

25% on 1st \$5,000.00 =	\$1,250.00
10% of next \$45,000.00 =	\$206.05
5% of next \$950,000.00 =	\$0.00
3% in excess of \$1,000,000.00 =	\$0.00
 TOTAL COMMISSION	 \$1,456.05

TRUSTEE EXPENSES:

TOTAL TRUSTEE EXPENSES:	\$0.00
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* Note specifics for any large items or volume.

** If greater than \$.15, a statement detailing higher actual cost is on file at Court and USTO.

FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Page: 1

Case No: 05-20078 JN Judge: John C. Ninfo
Case Name: XTELEGENET NETWORKS INC.
XTELEGENET NETWORKS INC.
For Period Ending: 02/07/08

Trustee Name: C. BRUCE LAWRENCE
Date Filed (f) or Converted (c): 06/03/05 (c)
341(a) Meeting Date: 07/22/05
Claims Bar Date: 10/02/06

1	2	3	4	5	6
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) Abandon DA=554(c) Abandon	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1. Accounts Receivable Xtelegent is a IPS - Internet services provider; receivables were virtually worthless because Debtor left all of his customers without notice leaving them scrambling to get internet access	42,106.89	Unknown		5,548.55	FA
2. INSURANCE (u) Insurance refund	0.00	Unknown		321.20	FA
3. Post-Petition Interest Deposits (u)	Unknown	N/A		146.55	Unknown
4. Ch 11 Business Bank Account (u) Acct: 0095 0088 4907	0.00	1,044.23		1,044.23	FA
5. Bank Account Bank America 9421084784 \$41.68; balance off set	41.68	0.00	DA	0.00	0.00
6. OFFICE EQUIP. ETC Office equipment, furnishings and supplies; Reynolds advises of no value	15,000.00	0.00	DA	0.00	0.00
7. machinery fixtures equipment Located at debtors principal place of business, co locted at facilities of telecommunications services providers and customer's premises; Reynolds advises of no value	125,000.00	0.00	DA	0.00	0.00
8. Other Contingent/Unliquidated Claims Set-off against claim of creditor Rel Comm Inc.; estimated to be at least equal to creditor's claim This is an oofset not an asset	5,720.51	0.00	DA	0.00	0.00
9. Other Contingent/Unliquidated Claims Set-off against claim of creditor Aladdin Communications; estimated to be at least equal to creditor's claim This is an oofset not an asset	194.85	0.00	DA	0.00	0.00
10. Other Contingent/Unliquidated Claims Counterclaim against creditor Business Information Group; estimated to be at least equal to creditor's claim	24,616.45	0.00	DA	0.00	0.00

FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Page: 2

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XTELEGENT NETWORKS INC.

Trustee Name: C. BRUCE LAWRENCE
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Claims Bar Date: 10/02/06

1	2	3	4	5	6
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) Abandon DA=554(c) Abandon	Sale/Funds Received by the Estate	Asset Fully Administered (FA)/ Gross Value of Remaining Assets
This is an oofset not an asset					

TOTALS (Excluding Unknown Values)	\$212,680.38	\$1,044.23	\$7,060.53	Gross Value of Remaining Assets \$0.00 (Total Dollar Amount in Column 6)
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Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

July 23, 2007, 04:41 pm All assets probably collected
June 28, 2006, 10:22 am - Filed Notice of Assets
September 15, 2005, 11:45 am Had to adjourn for testimony in Weeden trial, debtor's attorney and creditors appeared
August 17, 2005, 02:24 pm - letter to Bank requesting debtors accounts be liquidated and check sent to trustee.
August 08, 2005, 08:39 am - 2 letters to debtor's attorney: 1 - infor needed before adjourned 341 on 8/24. 2 - premium return check from LoVullo Associates ??

Initial Projected Date of Final Report (TFR): 12/31/08 Current Projected Date of Final Report (TFR): 12/31/08

FORM 2

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 05-20078 -JN
Case Name: XTELEAGENT NETWORKS INC.
XTELEAGENT NETWORKS INC.
Taxpayer ID No: *****8894
For Period Ending: 02/07/08

Trustee Name: C. BRUCE LAWRENCE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****4159 Money Market - Interest Bearing

Blanket Bond (per case limit): \$ 39,325,000.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
07/25/05	1	Champions for Life	Internet Services	1121-000	50.00		50.00
07/25/05	1	Newtex Industries, Inc.	Internet Services	1121-000	50.00		100.00
07/27/05	1	KLEIN STEEL OF SYRACUSE	Account Receivable	1121-000	450.00		550.00
08/01/05	1	Metro Appraisal Associates	Internet Services	1121-000	70.00		620.00
08/01/05	1	Rochester Computer	Internet Services	1121-000	260.00		880.00
08/01/05	1	SMQ Associates	Internet Services	1121-000	80.00		960.00
08/01/05	1	Torrey Ridge Winery	Internet Services	1121-000	170.00		1,130.00
08/01/05	1	Kindt Financial Services	Internet Services	1121-000	99.95		1,229.95
08/01/05	1	Laura Marshall	Internet Services	1121-000	29.85		1,259.80
08/01/05	1	Feltner & Suydam Inc	Internet Services	1121-000	25.00		1,284.80
08/01/05	1	Peoples Equal Action	Internet Services	1121-000	19.90		1,304.70
08/01/05	1	Contemporary Personnel	Internet Services	1121-000	50.00		1,354.70
08/03/05	1	George Eastman House	Internet services	1121-000	525.00		1,879.70
08/03/05	1	Family Advocacy Center	Internet services	1121-000	25.00		1,904.70
08/03/05	1	E. Parker Brown	Internet services	1121-000	80.00		1,984.70
08/03/05	1	Weather Track Kevin Williams	Internet services June 04	1121-000	50.00		2,034.70
08/03/05	1	Weather Track Kevin Williams	Internet services July 05	1121-000	320.00		2,354.70
08/08/05	1	Current Controls Inc	Internet Services	1121-000	50.00		2,404.70
08/08/05	1	Robert Bushnell	Internet Services	1121-000	50.00		2,454.70
08/08/05	1	Empire Beef	Internet Services	1121-000	100.00		2,554.70
08/08/05	1	RAI Telecom Inc	Internet Services	1121-000	200.00		2,754.70
* 08/08/05	1	Diplomat Global Logistics Inc	Internet Services	1121-000	160.00		2,914.70
08/08/05	1	Salco Inc	Internet Services	1121-000	160.00		3,074.70
08/08/05	1	Online Resources Corporation	Internet Services	1121-000	110.00		3,184.70
08/08/05	1	Globelinks, LLC	Internet Services	1121-000	400.00		3,584.70
08/08/05	1	Phillip Doty	Internet Services	1121-000	19.90		3,604.60
08/08/05	1	Syracuse Alternative Media Network	Internet Services	1121-000	59.85		3,664.45
08/09/05	1	North Medical, PC	Account Receivable	1121-000	180.00		3,844.45
08/15/05	1	Geneva Homes Inc	Internet Services	1121-000	70.00		3,914.45
08/15/05	1	Rochester Museum & Science Center	Internet Services	1121-000	40.00		3,954.45
08/15/05	1	Women's Foundation of Genesee Valley	Internet Services	1121-000	50.00		4,004.45

Case 2-05-20078-JCN Doc 131 Filed 03/14/08 Entered 03/14/08 14:06:48 Desc

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FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Page: 2

Case No: 05-20078 -JN
Case Name: XTELEAGENT NETWORKS INC.
XTELEAGENT NETWORKS INC.
Taxpayer ID No: *****8894
For Period Ending: 02/07/08

Trustee Name: C. BRUCE LAWRENCE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****4159 Money Market - Interest Bearing

Blanket Bond (per case limit): \$ 39,325,000.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
08/15/05	1	Harter Secrest & Emory	Internet Services	1121-000	50.00		4,054.45
08/15/05	1	Current Controls	Internet Services	1121-000	50.00		4,104.45
08/16/05	1	Torvec Inc	Internet Services	1121-000	200.00		4,304.45
* 08/18/05	1	Diplomat Global Logistics Inc	Internet Services	1121-000	-160.00		4,144.45
			stop pay issued by Diplomat and check returned by the bank				
08/22/05	1	George Eastman House	Internet services	1121-000	525.00		4,669.45
08/23/05	1	Newtex Industries, Inc.	Internet Services	1121-000	50.00		4,719.45
08/31/05	3	BANK OF AMERICA	Interest Rate 0.600	1270-000	1.70		4,721.15
09/02/05	1	North Medical, PC	Account Receivable	1121-000	180.00		4,901.15
09/02/05	1	EXECAIR	Account Receivable	1121-000	200.00		5,101.15
09/02/05	2	PFS	Insurance Refund	1221-000	321.20		5,422.35
09/19/05	1	OTT BROS., INC.	Account Receivable	1121-000	160.00		5,582.35
09/27/05	1	Syracuse Airport Christian Fellowship	Account Receivable	1121-000	59.85		5,642.20
09/30/05	3	BANK OF AMERICA	Interest Rate 0.600	1270-000	2.62		5,644.82
10/03/05	1	Richard Lortz	Account Receivable	1121-000	29.85		5,674.67
10/12/05	4	Bank of America	acct 009500884907	1229-000	1,044.23		6,718.90
10/24/05	1	E. Bennett Murphy & Associates	Account Receivable	1121-000	20.00		6,738.90
10/31/05	3	BANK OF AMERICA	Interest Rate 0.600	1270-000	3.22		6,742.12
11/03/05	1	Rawsen, Brenda	Internet Services	1121-000	30.00		6,772.12
11/17/05	1	Beckett, Linda	Account Receivable	1121-000	29.85		6,801.97
11/30/05	3	BANK OF AMERICA	Interest Rate 0.600	1270-000	3.34		6,805.31
12/22/05	1	Syracuse Airport Christian Fellowship	Account Receivable	1121-000	59.85		6,865.16
12/30/05	3	BANK OF AMERICA	Interest Rate 0.600	1270-000	3.47		6,868.63
01/23/06	1	Fleming, Mary Joan	Account Receivable	1121-000	29.85		6,898.48
01/31/06	3	BANK OF AMERICA	Interest Rate 0.600	1270-000	3.51		6,901.99
02/28/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	4.92		6,906.91
03/31/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.87		6,912.78
04/21/06	1	Edwars, Rondi	Account Receivable	1121-000	29.85		6,942.63
04/28/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.69		6,948.32
05/31/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.90		6,954.22

FORM 2

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 05-20078 -JN
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XTELEGENT NETWORKS INC.
Taxpayer ID No: *****8894
For Period Ending: 02/07/08

Trustee Name: C. BRUCE LAWRENCE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****4159 Money Market - Interest Bearing

Blanket Bond (per case limit): \$ 39,325,000.00
Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
06/30/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.72		6,959.94
07/31/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.91		6,965.85
08/31/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.92		6,971.77
09/21/06	000101	INTERNATIONAL SURETIES, LTD. Suite 500 203 Carondelet Street New Orleans, LA 70130	Bond Premium	2300-000		12.80	6,958.97
09/29/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.73		6,964.70
10/31/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.92		6,970.62
11/30/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.73		6,976.35
12/29/06	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.92		6,982.27
01/31/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.93		6,988.20
02/28/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.36		6,993.56
03/30/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.94		6,999.50
04/30/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.75		7,005.25
05/31/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.95		7,011.20
06/29/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.76		7,016.96
07/31/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.96		7,022.92
08/20/07	000102	INTERNATIONAL SURETIES, LTD. Suite 500 203 Carondelet St. New Orleans, LA 70130	Bond Premium Chapter 7 Blanket Bond New York-Western District-Region 2	2300-000		6.58	7,016.34
08/31/07	3	BANK OF AMERICA	Interest Rate 1.000	1270-000	5.96		7,022.30
09/28/07	3	BANK OF AMERICA	Interest Rate 0.750	1270-000	4.46		7,026.76
10/31/07	3	BANK OF AMERICA	Interest Rate 0.750	1270-000	4.48		7,031.24
11/30/07	3	BANK OF AMERICA	Interest Rate 0.650	1270-000	3.76		7,035.00
12/31/07	3	BANK OF AMERICA	Interest Rate 0.500	1270-000	3.36		7,038.36
01/31/08	3	BANK OF AMERICA	Interest Rate 0.400	1270-000	2.79		7,041.15

FORM 2

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 05-20078 -JN
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Taxpayer ID No: *****8894
For Period Ending: 02/07/08

Trustee Name: C. BRUCE LAWRENCE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****4159 Money Market - Interest Bearing

Blanket Bond (per case limit): \$ 39,325,000.00

Separate Bond (if applicable):

1	2	3	4		5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
COLUMN TOTALS					7,060.53	19.38	7,041.15
Less: Bank Transfers/CD's					0.00	0.00	
Subtotal					7,060.53	19.38	
Less: Payments to Debtors						0.00	
Net					7,060.53	19.38	
TOTAL - ALL ACCOUNTS					NET DEPOSITS	NET DISBURSEMENTS	ACCOUNT BALANCE
Money Market - Interest Bearing - *****4159					7,060.53	19.38	7,041.15
					-----	-----	-----
					7,060.53	19.38	7,041.15
					=====	=====	=====
					(Excludes Account Transfers)	(Excludes Payments To Debtors)	Total Funds On Hand

I certify that I have filed and reviewed Forms 1 & 2 for all cases Listed on Form 3 and they are accurate and correct to the best of my knowledge

/s/ C. BRUCE LAWRENCE
Trustee's Signature: _____ Date: 02/07/08
C. BRUCE LAWRENCE